

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 067574
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 STR-07 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 SIL-01 /105 R

DRAFTED BY EB/OT/STA:WTDIROLL:JH
APPROVED BY EB/OT/STA:JSSPIRO
STR:KALLEMAN
EUR/RPE:RLAMANTIA
-----004549 161419Z /14

R 160305Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY BRUSSELS
INFO AMEMBASSY STOCKHOLM
AMEMBASSY VIENNA
AMEMBASSY BONN

LIMITED OFFICIAL USE STATE 067574

USEEC

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: SPECIALTY STEEL -- EC REACTION TO COMPENSATORY
ADJUSTMENT OF ALLOY TOOL STEEL QUOTA

REF: A) STATE 15081 B) STATE 1976 283076

1. IN REFTEL (A) WE ADVISED THAT THE PRESIDENT HAD
DECIDED TO REMOVE CHIPPER KNIFE AND BAND SAW STEEL FROM
THE SPECIALITY STEEL IMPORT RELIEF PROGRAM AND TO ADJUST
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 067574

THE ALLOY TOOL STEEL QUOTA TO COMPENSATE FOR THE REMOVAL
OF SUCH STEEL FROM THE PROGRAM. WE ALSO ADVISED THAT
THE DECISION TO REMOVE THE TWO TYPES OF STEEL WOULD BE
IMPLEMENTED AS SOON AS THE TECHNICAL WORK NEEDED TO
DETERMINE THE APPROPRIATE ADJUSTMENTS HAD BEEN COMPLETED.

2. IN A MARCH 8 MEETING WITH DEPARTMENT OFFICIALS GERARD

DE PAYRE, OF THE WASHINGTON EC DELEGATION EXPRESSED DISSATISFACTION WITH THE DECISION TO TIE THE EXCLUSION OF BAND SAW STEEL TO A COMPENSATORY DOWNWARD ADJUSTMENT OF THE ALLOY TOOL STEEL QUOTA. HE CONTENDED THAT DOMESTIC PRODUCTION OF BAND SAW STEEL WAS INADEQUATE TO MEET UNITED STATES DEMAND AND SUCH STEEL SHOULD, THEREFORE, NOT HAVE BEEN INCLUDED IN THE IMPORT RELIEF PROGRAM.

HE ARGUED THAT THE STATUS OF BAND SAW STEEL UNDER THE RELIEF PROGRAM IS MUCH THE SAME AS THAT OF QUOTE BEARING STEEL END QUOTE BEFORE IT WAS REMOVED FROM THE PROGRAM WITHOUT ANY COMPENSATORY ADJUSTMENT OF THE ALLOY TOOL STEEL QUOTA (SEE REFTEL (B)). HE EXPRESSED THE HOPE THAT THE USG WOULD RECONSIDER ITS DECISION TO ADJUST THE ALLOY TOOL STEEL QUOTA.

3. IN RESPONSE, WE EXPLAINED THAT THE PROPOSED ACTION ON CHIPPER KNIFE AND BAND SAW STEEL IS NOT COMPARABLE TO THAT ON BEARING STEEL. PRIOR TO THE INSTITUTION OF THE IMPORT RELIEF PROGRAM, BEARING STEEL HAD NOT BEEN CLASSIFIED AND TABULATED AS ALLOY TOOL STEEL IN THE COMPILATION OF OFFICIAL UNITED STATES GOVERNMENT IMPORT STATISTICS AND, AS A RESULT, THE QUOTA ESTABLISHED FOR ALLOY TOOL STEEL WAS SUBSTANTIALLY UNDERSTATED. TO COMPENSATE FOR THE UNDERSTATEMENT, A SEPARATE NEW QUOTA WAS ESTABLISHED FOR BEARING STEEL. THE ORIGINAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 067574

QUOTA FOR ALLOY TOOL STEEL WAS LEFT UNCHANGED. SINCE THERE HAD BEEN NO PRACTICE OF CLASSIFYING AND TABULATING BEARING STEEL AS ALLOY TOOL STEEL PRIOR TO THE ESTABLISHMENT OF THE ORIGINAL ALLOY TOOL STEEL QUOTA, NO COMPENSATORY ADJUSTMENT OF THAT QUOTA WAS WARRANTED BY THE REMOVAL OF BEARING STEEL FROM THE IMPORT RELIEF PROGRAM. ON THE OTHER HAND, CHIPPER KNIFE AND BAND SAW STEEL HAD BEEN CLASSIFIED AND TABULATED AS ALLOY TOOL STEEL BEFORE THE ESTABLISHMENT OF THE ALLOY TOOL STEEL QUOTA SO THAT A COMPENSATORY ADJUSTMENT FOR THE REMOVAL OF SUCH STEEL IS WARRANTED.

4. WE ALSO NOTED THAT IMPORTS OF CHIPPER KNIFE AND BAND SAW STEEL WERE RELATIVELY SMALL DURING THE PERIOD ON WHICH THE ALLOY TOOL STEEL QUOTA IS BASED (1971-1975) AND THAT, IN VIEW OF THE RAPIDLY GROWING DEMAND FOR SUCH STEEL, ANY QUOTA ADJUSTMENT WOULD BE MORE THAN OFFSET BY GAINS IN THE TRADE OF THE EXCLUDED ITEMS. WE ADDED THAT THERE IS LITTLE LIKELIHOOD THAT THE UNITED STATES GOVERNMENT WOULD RECONSIDER ITS DECISION BECAUSE RECOVERY IN THE ALLOY TOOL STEEL SECTOR OF THE SPECIALTY STEEL INDUSTRY IS LAGGING.

5. STR IS NOW PUTTING THE FINISHING TOUCHES TO THE
PRESIDENTIAL PROCLAMATION WHICH WILL EXCLUDE CHIPPER
KNIFE AND BAND SAW STEEL IN CONJUNCTION WITH APPROPRIATE
ADJUSTMENTS OF THE ALLOY TOOL STEEL QUOTA AND COUNTRY
ALLOCATIONS. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, IMPORT CONTROLS, TOOLS, REGIONAL ORGANIZATIONS, GOVERNMENT REACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE067574
Document Source: CORE
Document Unique ID: 00
Drafter: WTDIROLL:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780117-0510
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780359/aaaabxsc.tel
Line Count: 122
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3bdba1c5-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 15081, 78 STATE 1976
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3302692
Secure: OPEN
Status: NATIVE
Subject: SPECIALTY STEEL -- EC REACTION TO COMPENSATORY ADJUSTMENT OF ALLOY TOOL STEEL QUOTA
TAGS: ETRD, US, EEC
To: BRUSSELS USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/3bdba1c5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014